

### **Department of Energy**

Southwestern Power Administration One West Third Street Tulsa, Oklahoma 74103-3502



December 5, 2007

Honorable Kimberly D. Bose Office of the Secretary Federal Energy Regulatory Commission 888 First Street, NE Room 1A, East Washington, DC 20426

Re: Southwestern Power Administration Docket No. NJ08- -000

#### Dear Secretary Bose:

Pursuant to the Federal Energy Regulatory Commission's (Commission) Order No. 890<sup>1</sup> and Sections 35.28(e) of the Commission's Regulations<sup>2</sup>, the United States Department of Energy, Southwestern Power Administration (Southwestern) hereby submits revisions to its non-jurisdictional open access transmission tariff (Tariff). The purpose of the filing is to incorporate Attachment O – Transmission Planning Process (Attachment O) into Southwestern's Tariff.

Enclosed please find original plus six copies of the proposed Tariff revisions. Also enclosed is an additional copy that I would appreciate being time-stamped and returned in the self-addressed envelope.

Southwestern was established in 1943 by the Secretary of the Interior, as a bureau of the Department of the Interior. On October 1, 1977, pursuant to the Department of Energy Organization Act, 42 U.S.C. § 7101 (2007) et.seq., Southwestern was transferred from the Department of the Interior to the Department of Energy. Southwestern operates under the direction of an Administrator with delegated authority to carry out the responsibilities of the Secretary under Section 5 of the Flood Control Act of 1944, 16 U.S.C. § 825(s) (2007), to market power generated at multi-purpose reservoir projects constructed in the Southwest by the Corps of Engineers of the Department of the Army.

Southwestern currently markets power from 24 hydroelectric projects located in the states of Arkansas, Missouri, Oklahoma, and Texas. Power is marketed in those four states, as well as Kansas and Louisiana, to cooperatives, government agencies, and municipalities. Southwestern

<sup>&</sup>lt;sup>1</sup> <u>Preventing Undue Discrimination and Preference in Transmission Service</u>, Order No. 890, 72 Fed. Reg. 12,266, 12,492 (Mar. 15, 2007), FERC Stats. & Regs. ¶ 31,241 (2007) (Order No. 890).

<sup>&</sup>lt;sup>2</sup> 18 C.F.R. § 35.28(e) (2007).

operates transmission facilities, substations, and other facilities to fulfill its obligations. When adverse water conditions prevent Southwestern from meeting its contracts for delivery of power and energy from its own resources, Southwestern purchases energy from other suppliers. Southwestern has integrated its facilities in order to efficiently receive, transmit, and deliver power and energy.

Southwestern is not a public utility subject to the Commission's jurisdiction under Sections 205 and 206 of the Federal Power Act, 16 U.S.C. §§ 824d and 824e (2007); however, Southwestern is considered a transmitting utility subject to Sections 211-213 of the Federal Power Act, 16 U.S.C. §§ 824i-824k. Southwestern and the Southwest Power Pool Regional Transmission Organization (SPP) are parties to a contract (SPP/Southwestern Agreement)<sup>3</sup> patterned after the provisions of Section 1232 of the Energy Policy Act of 2005, which describes the conditions by which Power Marketing Administrations such as Southwestern may participate in a Regional Transmission Organization.

On March 21, 2006 the Commission issued an order in Docket No. NJ06-4<sup>4</sup> accepting Southwestern's Tariff provision changes which incorporated revisions to conform the Tariff to the terms and conditions of the SPP/Southwestern Agreement. The Commission further noted that Southwestern will not have a valid safe harbor Tariff until it complies with, or obtains waiver of, Order Nos. 2003, 2006, and 661. Southwestern filed revisions to its Tariff on September 27, 2007 in Docket No. NJ07-9 to comply with Order Nos. 2003, 2006, 661, and 676. The Commission has not yet acted on these pending Tariff revisions.

Southwestern requests that the Commission issue a declaratory order determining that this filing satisfies the Commission's comparability (non-discrimination) standards as provided by Sections 35.28(e) of the Commission's Regulations. Order No. 890 provides that non-jurisdictional utilities must participate in the transmission planning process required in the order. The order further provides and that the principle of reciprocity dictates that transmission providers that take advantage of open access caused by improved transmission planning should be subject to the same requirements as jurisdictional utilities. Therefore, the Commission has ordered that each utility adopt an attachment to their respective open access transmission tariffs that complies with the planning principles outlined in Order No. 890 or that is "consistent with or superior to" the Commission's requirements in the planning principles. The Commission also stated that a regional transmission organization (RTO) must indicate how transmission owners in its footprint will comply with the transmission planning requirements of Order No. 890. Further, an RTO's planning process will be considered insufficient if underlying transmission owners are not also obligated to engage in transmission planning that complies with the requirements of Order No. 890.

<sup>&</sup>lt;sup>3</sup> Southwestern Contract No. DE-PM75-05SW00512, <u>Order accepting Interim Agreement & revised Attachment AD</u> of SPP Tariff, 110 FERC ¶ 61,406 (2005) (SPP/Southwestern Agreement).

<sup>&</sup>lt;sup>4</sup> 114 FERC ¶ 61,292 (2006).

<sup>&</sup>lt;sup>5</sup> Order No. 890 ¶ 442.

<sup>&</sup>lt;sup>6</sup> Id.

<sup>&</sup>lt;sup>7</sup> Order No. 890 ¶ 437.

<sup>&</sup>lt;sup>8</sup> Order No. 890 ¶ 440.

<sup>&</sup>lt;sup>9</sup> Id.

This filing comports with Commission guidance. The proposed Tariff attachment includes modifications to the transmission planning requirements of Order No. 890: (i) to recognize the provisions of the SPP/Southwestern Agreement between SPP and Southwestern. This agreement provides for reciprocal use of each parties' transmission system, SPP's administration of Southwestern's Tariff and OASIS, and for SPP to study transmission service requests. SPP will review such requests to identify the regional available transfer capability impacts and any modifications to the SPP transmission system required to support such service requests; (ii) to recognize Southwestern's participation in the SPP regional planning process allowing SPP tariff procedures to govern significant aspects of the planning process and SPP to perform regional planning functions, including development of transmission planning models, transmission expansion plans, transmission assessments, aggregate studies for transmission service/generator interconnection, and flowgate determination; (iii) to recognize Southwestern's non-jurisdictional status; and (iv) to recognize Southwestern's statutory and regulatory obligations and limitations as a Federal Power Marketing Administration under the Department of Energy.

Southwestern's transmission system includes 1,380 miles of transmission lines and 24 substations at high voltages within a range of 69 kV to 161 kV. All of Southwestern's transmission system is included within the scope of the regional transmission planning process facilitated by the SPP. SPP's analyses include all facilities within the SPP footprint including the Southwestern transmission system. All results of Southwestern's local planning are integrated within the transmission expansion plan created in SPP's regional planning process. Therefore, Southwestern drafted the attachment language to present the responsibilities of both SPP and Southwestern under the proposed transmission planning process, to ensure consistency with the provisions of the SPP/Southwestern Agreement that pertain to transmission planning, to provide coordinated implementation of the regional planning process, and to highlight any differences in transmission planning criteria between Southwestern and SPP. Pursuant to this filing, the SPP would be the entity to: (i) facilitate the local planning summits and administer the open and transparent stakeholder forums, including the confidentiality measures to ensure compliance with all security requirements; (ii) coordinate and oversee the regional model development; (iii) perform sub-regional and regional transmission studies and assessments and integrate results of local planning, sub-regional planning, and regional planning; and (iv) manage cost allocation for new projects. 10 This attachment also outlines the transmission planning criteria used by Southwestern that is more stringent than the criteria used by SPP.

The remaining differences between the Order No. 890 transmission planning requirements and Southwestern's proposed Tariff attachment recognize Southwestern's obligation to comply with certain Federal statutes and regulations. Such obligations include National Environmental Policy Act (NEPA)<sup>11</sup> requirements, advanced funding provisions complying with the Anti-Deficiency Act, 12 budgetary authority, and provisions pertaining to Southwestern's responsibilities under the Flood Control Act of 1944. 13 Southwestern has coordinated its proposed attachment with

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<sup>&</sup>lt;sup>10</sup> Southwestern's participation in the SPP regional cost allocation methodology is provided for in the SPP/Southwestern Agreement, which recognizes Southwestern's legal and regulatory obligations.

<sup>&</sup>lt;sup>11</sup> 42 U.S.C. § 4321, et seq. (2007).

<sup>&</sup>lt;sup>12</sup> 31 U.S.C. § 1341(a)(1)(2007).

<sup>&</sup>lt;sup>13</sup> 16 U.S.C. § 825(s) (2007).

language contained in the SPP documents to ensure regional consistency and to facilitate SPP's administration of Southwestern's Tariff, as provided for in the SPP/Southwestern Agreement.

Southwestern recognizes that there are other provisions of Order No. 890. The Commission is respectfully requested to rule on the substance of this instant filing so Southwestern's Tariff may be updated and Southwestern recognized as participating in SPP's planning process as a transmission owner within the SPP footprint. Southwestern is currently engaged in a dialogue with its customers regarding implementation of the other provisions of Order No. 890 and possible deviations from *pro forma* to reflect Southwestern's Federal statutes, obligations, and limitations. Additionally, as evidenced by this and previous filings, Southwestern considers the tariff compliance actions of SPP, and intends to continue its coordination with SPP to facilitate SPP's administration of Southwestern's Tariff and the terms and conditions of the SPP/Southwestern Agreement. Southwestern will make a future filing to incorporate the other Order No. 890 provisions, with appropriate modifications to address its Federal Power Marketing Administration status and to further conform its Tariff to recognize the terms of the SPP/Southwestern Agreement.

#### I. PETITION FOR AN EXEMPTION FROM FILING FEES

Southwestern is an agency of the United States Department of Energy and hereby seeks an exemption in lieu of paying a filing fee applicable to petitions for declaratory orders. Southwestern is engaged in official business of the Federal Government in filing this petition for a declaratory order from the Commission. Southwestern is an agency of the United States and, therefore is exempt from filing fees. <sup>14</sup>

#### II. EFFECTIVE DATE

Southwestern requests that the revised Tariff become effective February 4, 2008.

#### III. SERVICE

Southwestern shall make copies of this filing available for public inspection on its OASIS and website. A draft Form of Notice in hard copy is included as Attachment B and electronically in .doc format on the enclosed compact disk. Also included on the compact disk is a complete copy of the filing in .pdf format.

#### IV. CONTENTS OF FILING

Along with this transmittal letter, the documents submitted with this filing include:

Attachment A – Southwestern's proposed Tariff changes.

Attachment B – A Form of Notice suitable for publication in the Federal Register.

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<sup>&</sup>lt;sup>14</sup> 18 C.F.R. §§ 381.102(a), 381.108(a), and 381.302(c) (2007).

#### V. COMMUNICATION

Southwestern requests that all correspondence, pleadings, and other communications concerning this filing be served upon:

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Dated this 5<sup>th</sup> day of December, 2007.

Respectfully submitted,

Laurence J. Yadon, II

General Counsel

Southwestern Power Administration

#### CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Tulsa, Oklahoma, this 5<sup>th</sup> day of December, 2007.

Laurence J. Yadon, II

General Counsel

Southwestern Power Administration

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Tulsa, OK 74103

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### SERVICE LIST SOUTHWESTERN POWER ADMINISTRATION NJ08\_\_\_-000

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# Attachment A – Proposed Tariff Attachment O

#### ATTACHMENT O - TRANSMISSION PLANNING PROCESS

#### 1.0 Definitions

- **1.1 Balancing Authority** shall mean the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time.
- **1.2 Balancing Authority Area** shall mean the collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.
- **1.3 Southwestern** shall mean the Southwestern Power Administration, an agency of the United State Department of Energy, that owns and operates transmission facilities used for the transmission of electricity to fulfill its obligations under Section 5 of the Flood Control Act of 1944.
- **1.4 Transmission Expansion Plan** shall mean an approved plan by the Southwest Power Pool, Inc. (SPP) that consolidates the regional and local transmission needs, both reliability and economic opportunities, into a single plan for the improvement of the Transmission System.
- **1.5 Southwestern Transmission System** shall mean the transmission facilities owned and operated by Southwestern.

#### 2.0 General

This Attachment O describes Southwestern's procedures for local transmission planning and expansion of the Southwestern Transmission System and Southwestern's participation in regional planning initiatives. Pursuant to the provisions of the SPP/Southwestern Agreement, SPP coordinates and performs, in cooperation with Southwestern and other transmission owners, regional planning functions, including the development of transmission planning models, Transmission Expansion Plans, transmission assessments, aggregate studies for transmission service/generator interconnection, and flowgate determination. When used in this Attachment O, terms with initial capitalization that are not defined in Section 1.0 shall have the meanings specified in the section in which they are used or the Tariff.

#### 3.0 Local Planning

#### 3.1 Scope

The scope of Southwestern's local planning process includes the following:

- Reliability planning for the Southwestern Transmission System and associated loads (including radial loads) in Southwestern's Balancing Authority Area in compliance with North American Electric Reliability Corporation (NERC) reliability standards and SPP planning standards; and
- b) Planning to ensure continuity of transmission service to Southwestern's existing Transmission Customers.

Issued by: Laurence J. Yadon, II

General Counsel, Southwestern Power Administration

#### 3.2 Stakeholders

The stakeholders identified for Southwestern's local transmission planning process include:

- a) Entities with load served from the Southwestern Transmission System; and
- b) Transmission Customers.

Southwestern's local transmission planning process is open to participation by all affected entities.

#### 3.3 Local Planning Region

Southwestern's local planning region includes the Southwestern Transmission System, the transmission facilities and generation internal to Southwestern's Balancing Authority Area, and loads served from the Southwestern Transmission System.

#### 3.4 Transmission Planning Procedures

#### 3.4.1 Transmission Planning Model Development

Southwestern participates in the SPP's model development process as described in the SPP Power Flow Model Development Procedure Manual to develop load flow, short circuit, and stability models. During this process a series of seasonal models are developed for a ten year planning horizon.

#### 3.4.1.1 Data Collection for Model Development

Southwestern requests that entities with loads located in Southwestern's Balancing Authority Area or served from the Southwestern Transmission System submit load projections to Southwestern for their summer and winter peaks through the ten year planning horizon and specify the source(s) of power that will be utilized to serve such loads. Throughout the model development process, Southwestern reviews tie line ratings and electrical characteristics of transmission facilities in the Southwestern Transmission System. Southwestern coordinates the modeling of tie line characteristics with neighboring Balancing Authority Areas and, where applicable, modifies the characteristics used in the models in accordance with *SPP Criteria*. Southwestern also requests interchange and transaction data from neighboring Balancing Authority Areas to coordinate inclusion of this information in the models.

#### 3.4.1.2 Model Development Assumptions

#### 3.4.1.2.1 Transmission Service

Existing transmission service modeled in the base cases is limited to service associated with firm contractual agreements and does not include other transfers such as emergency power. Long-term reservations for transmission service are included in future models if there is a reasonable expectation that a customer will continue to contract for service.

#### 3.4.1.2.2 Load

Southwestern models all load served from the Southwestern Transmission System.

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#### **3.4.1.2.3** Generation

When transmission customers' forecasted load modeled within Southwestern's Balancing Authority Area during the ten year planning horizon exceeds available generation, such customers are notified of the need to acquire additional resources.

#### 3.4.1.3 Transparency of Model Development

Southwestern submits data related to model development electronically to SPP including various supporting files that document Southwestern's compliance and participation in the model update process. Any entity, including Southwestern and Southwestern's stakeholders, that obtains access to the SPP modeling and data coordination website may access all electronic files that have been submitted by Southwestern and other transmission owners located within the SPP Footprint. Access to this website is granted by SPP.

#### 3.4.2 Transmission Planning Criteria

The NERC reliability standards and the *SPP Criteria*, as amended from time to time and posted on *SPP's* website, form the basis for Southwestern's transmission planning criteria. Voltage limits used in Southwestern's transmission planning studies are as follows:

	<u>Minimum (in per unit)</u>	Maximum (in per unit)
Base Case	0.95	1.05
Contingency Cases	0.90	1.05

When determining ratings for Southwestern's transmission lines, Southwestern considers both the thermal limits of the transmission line conductors and terminal equipment in accordance with *SPP Criteria*. Although *SPP Criteria* specifies the maximum allowable line loading for normal and contingency conditions based on a maximum allowable conductor temperature of 85 °C, Southwestern analyzes transmission line plan and profile charts to determine if higher temperature ratings, such as 100 °C, are permissible during contingencies without violating NERC clearance criteria.

SPP Criteria specifies that the allowable transformer loading during normal conditions is the highest nameplate rating of the transformer, and the contingency rating is a minimum of 100 percent of the highest nameplate rating. In Southwestern's planning process, the maximum allowable transformer loading during both normal and contingency conditions is 100 percent of nameplate rating.

#### 3.4.3 Transmission Planning Studies

Southwestern analyzes the reliability of the Southwestern Transmission System annually utilizing load flow models developed in coordination with the SPP. Southwestern considers the following contingencies in its annual assessments:

 a) <u>Single Contingency Outages</u>: All branches, including transmission lines, transformers, and related facilities, within Southwestern's Balancing Authority Area, and in any Balancing Authority Area directly interconnected with Southwestern, are removed from service individually.

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General Counsel, Southwestern Power Administration

- b) Generation Unit Outages: Generating units within Southwestern's Balancing Authority Area are removed from service individually. In cases where two generating units share a common step-up transformer, they are removed from service in pairs. For this analysis, area interchange control is disabled to allow for the importing of generation from outside Southwestern's Balancing Authority Area.
- c) <u>Double-Circuit Line Outages</u>: Outages of both circuits on double-circuit lines are studied when the lines are double-circuited for a significant distance. In the Southwestern Transmission System, this includes an outage of the Bull Shoals-Dardanelle and Bull Shoals-Buford Tap 161-kV lines, which are on double-circuit structures for approximately 10 miles, and an outage of the Dardanelle-Bull Shoals and Dardanelle-Clarksville 161-kV lines, which are on double-circuit structures for approximately 20 miles.

In addition, Southwestern assesses the performance of the Southwestern Transmission System for outages of entire bus sections and substations. For this assessment, controlled loss of load is allowed if it is necessary to maintain Transmission System voltage and loading within specified limits.

Southwestern uses the ACCC feature of the PSS/E simulator model to perform Southwestern's assessments of the Southwestern Transmission System.

The results of Southwestern's annual assessments are reported in Southwestern's Federal Energy Regulatory Commission (FERC) Form 715 filing. In addition, the results are used to provide input into SPP's assessments, including the NERC mitigation review, SPP's regional Transmission Expansion Plan, individual system impact studies performed by SPP, and any other regional studies in which Southwestern participates.

SPP performs an AC contingency analysis on the final models for both the current year and long-term ten-year planning horizon summer peak period. Based on the results of these analyses, Southwestern submits a mitigation plan to SPP annually.

#### 3.4.4 Stakeholder Participation

Southwestern tenders formal data requests annually to its customers to obtain data necessary for the model development process as described in Section 3.4.1. Southwestern also requests data from neighboring Balancing Authority Areas. Southwestern incorporates data obtained from neighboring Balancing Authority Areas and customers into the power flow data that is submitted to SPP in accordance with the SPP Power Flow Model Development Procedure Manual.

Southwestern's stakeholders may also participate in Southwestern's local planning process during local transmission planning meetings facilitated by SPP. The SPP planning meetings are held at least annually, in conjunction with the meetings of the SPP Transmission Working Group (TWG) or a successor group or SPP faction. These meetings provide an open forum for transmission owners in each region, including Southwestern, to present local planning issues and cost effective solutions and stakeholders to provide input and feedback as well as propose alternative projects. SPP posts notice of the transmission planning meetings on the SPP website and via e-mail distribution lists administrated by SPP.

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If a stakeholder wishes to establish a new interconnection or point of delivery, they may submit an application for interconnection according to Southwestern's Tariff or may contact Southwestern to inquire about submitting an interconnection request. Furthermore, if an upgrade or project coordinated by Southwestern affects delivery to one or more of Southwestern's stakeholders, Southwestern will contact the affected stakeholder(s) to solicit their comments.

Southwestern's stakeholders may submit questions or comments to Southwestern at any time, and Southwestern will respond to such inquiries as soon as practicable.

#### 3.4.5 Design and Construction Criteria

Southwestern designs and constructs new transmission facilities according to both Southwestern's *Design Manual – Standard 330-04, Volume 1* and guide specifications for specific equipment. Guide specifications and Southwestern's *Design Manual* can be made available to any entity upon request.

#### 4.0 Regional Planning

#### 4.1 Scope

The scope of Southwestern's participation in regional planning includes the following:

- a) Reliability planning for the bulk power system in compliance with NERC reliability standards and SPP planning standards; and
- b) Planning for regional power transfer capability, including Balancing Authority Area import/export capability.

#### 4.2 Stakeholders

The stakeholders Southwestern has identified as affected by Southwestern's participation in regional planning include:

- a) Entities with load served from the Southwestern Transmission System;
- b) Transmission Customers; and
- c) Entities, including neighboring Balancing Authority Areas and utilities, with which Southwestern has transmission and generation interconnections.

The regional transmission planning process in which Southwestern participates is open to participation by all affected entities.

#### 4.3 Regional Planning Area

Southwestern participates in regional planning that includes all or portions of the SPP Footprint and those transmission facilities that are not a part of SPP, but which are in close electrical vicinity to the Southwestern Transmission System and could impact reliability of the Transmission System. This includes the facilities of neighboring Balancing Authority Areas and those utilities with which Southwestern is interconnected whose facilities are not part of the SPP Footprint. All of Southwestern's transmission facilities are included in regional assessments performed by SPP; therefore, Southwestern participates in the regional planning process facilitated by SPP. Southwestern also participates in ad hoc regional planning groups and initiatives to promote increased regional coordination.

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General Counsel, Southwestern Power Administration

#### 4.4 Participation in Regional Transmission Planning

Southwestern participates in the annual stakeholder process facilitated by SPP to develop the SPP Transmission Expansion Plan. SPP provides notice of the commencement of the process via e-mail to the SPP TWG or a successor group or SPP faction, which includes Southwestern and other stakeholders, and other SPP Transmission Expansion Planning stakeholder distribution lists. SPP also posts announcements about this process on the SPP website. Access to the various e-mail distribution lists is granted by SPP. Although Southwestern is not bound by Attachment O of the SPP Open Access Transmission Tariff, Southwestern voluntarily complies in accordance with the SPP/Southwestern Agreement.

#### 4.4.1 Transmission Planning Model Development

Model development for regional transmission planning is the same as that for Southwestern's local planning and is described in Section 3.4.1.

#### 4.4.2 Transmission Planning Criteria

Southwestern uses the same criteria for regional planning as that used for local planning, as described in Section 3.4.2.

#### 4.4.3 Transmission Planning Studies

SPP performs reliability assessments for the Transmission System and evaluates historical congestion data. Southwestern performs assessments of the Southwestern Transmission System. These assessments use the same models as those used by SPP for the regional transmission expansion planning process facilitated by SPP. As part of these assessments, Southwestern evaluates potential alternatives to mitigate any deficiencies in the Southwestern Transmission System. Southwestern provides feedback to SPP regarding various alternatives based on the results of these assessments.

SPP also performs any economic planning studies for the Transmission System. Southwestern's participation in such planning studies is provided for in the SPP/Southwestern Agreement, which recognizes Southwestern's legal and regulatory obligations.

#### 5.0 Operational Planning Studies and Assessments

Southwestern uses seasonal load flow models to identify operating constraints and potential reliability violations that may exist in the upcoming season. In the event a potential reliability violation is identified, Southwestern develops alternatives to remove the potential violation and presents the mitigation plan to SPP for review and approval.

#### 6.0 Dispute Resolution

If a stakeholder has a dispute regarding Southwestern's actions in either local or regional planning, they may seek dispute resolution with Southwestern in a dispute resolution process as outlined in Section 12 of Southwestern's Tariff.

#### 7.0 Cost Allocation

All provisions of this Section 7.0 shall be subject to the Federal statutes and regulations applicable to Southwestern including Southwestern's availability of funds, advance funding, and

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budgetary requirements as outlined in the Tariff, including Attachment K, General Provisions Applicable to Transmission and Generation Interconnection Service.

For cost allocation in Southwestern's local planning process, Section 27 of the Tariff outlines the Point-To-Point Transmission Service customers' share of the responsibilities of the costs of new projects. Section 28.2 of the Tariff outlines the conditions by which Southwestern upgrades facilities for Network Customers. The costs for reliability upgrades are incorporated in Southwestern's rates for transmission service.

Southwestern's participation in the SPP regional cost allocation methodology is provided for in the SPP/Southwestern Agreement, which recognizes Southwestern's legal and regulatory obligations.

#### 8.0 Confidentiality

Southwestern complies with all Federal statutes pertaining to confidentiality of sensitive information, including the Freedom of Information Act. Furthermore, since Southwestern coordinates with SPP, Southwestern participates in and complies with SPP's confidentiality processes to the extent allowed by Federal statute.

All public electronic forums provided and facilitated by SPP for participation by entities including Southwestern's stakeholders incorporate password protected access for the distribution and retrieval of confidential information related to the regional planning process and modeling or project data. A confidentiality agreement must be executed with SPP to receive password protected access.

#### 9.0 Comparability

Southwestern's local planning process and the regional transmission planning process in which Southwestern participates is open to participation by all affected entities. Subject to the Federal statutes and regulations applicable to Southwestern, Southwestern treats similarly situated customers comparably for transmission planning.

Issued by: Laurence J. Yadon, II

General Counsel, Southwestern Power Administration

# **Attachment B - Notice of Filing**

## UNITED STATES OF AMERICA FEDERAL ENERGY REGULATORY COMMISSION

United States Department of Energy) Southwestern Power Administration)		Docket No. NJ08000
	NOTICE OF FILING	
	()	

Take Notice that on December 5, 2007, the United States Department of Energy - Southwestern Power Administration (Southwestern), filed revisions to its non-jurisdictional open access transmission tariff (Tariff). The purpose of the filing is to incorporate Attachment O – Transmission Planning Process (Attachment O) into Southwestern's Tariff. Southwestern has requested that the effective date of the Attachment O be February 4, 2008.

Any person desiring to intervene or to protest this filing should file with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, DC 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. All such motions or protests should be filed on or before the comment date, and, to the extent applicable, must be served on the applicant and on any other person designated on the official service list. This filing is available for review at the Commission or may be viewed on the Commission's web site at <a href="http://www.ferc.gov">http://www.ferc.gov</a>, using the eLibrary (FERRIS) link. Enter the docket number excluding the last three digits in the docket number field to access the document. For assistance, please contact FERC Online Support at <a href="ferc.gov">FERCOnlineSupport@ferc.gov</a> or toll-free at (866) 208-3676, or for TYY, contact (202) 502-8659. Protests and interventions may be filed electronically via the internet in lieu of paper; see 18 CFR 385.2001(a)(1)(iii) and the instruction on the Commission's web site under the "efiling" link. The Commission strongly encourages electronic filings.

Comment Date: